

Message Text

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ACTION EB-07

INFO OCT-01 EA-06 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 FEAE-00 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-03

SP-02 SS-15 STR-04 TRSE-00 FRB-03 NSCE-00 PRS-01 PA-01

USIA-06 EUR-12 /100 W

----- 004519

R 230824Z APR 75

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 4673

INFO AMEMBASSY OSLO

USLO PEKING

AMEMBASSY SEOUL

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

AMEMBASSY SINGAPORE

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E.O. 11652: N/A

TAGS: ENRG, EEWT, CH, NO

SUBJECT: POSSIBLE SINO-NORWEGIAN OIL RIG DEAL

1. A US OIL EQUIPMENT COMPANY REPRESENTATIVE NOW VISIT-
ING CHINA'S SPRING CANTON FAIR HAS TOLD USLO OFFICERS
THERE THAT NEGOTIATIONS ARE CURRENTLY UNDERWAY BETWEEN
THE PRC AND A NORWEGIAN MANUFACTURER OF OFFSHORE DRILL-
ING RIGS. THE DEAL WOULD INVOLVE A CHINESE PURCHASE OF
AT LEAST TWO JACK-UP RIGS AND ONE SEMI-SUBMERSIBLE OFF-
SHORE RIG, HE SAID, AND THE TOTAL PACKAGE WOULD BE WORTH
OVER \$120 MILLION.

2. COMMENT: WHILE THE BUSINESSMAN WHO REPORTED THIS
DEAL IS KNOWLEDGEABLE ABOUT PAST PRC PURCHASING ACTIVITY
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IN THIS FIELD, HE HAS A PERSONAL STAKE IN SELLING OIL

EQUIPMENT TO CHINA AND MIGHT HAVE EXAGGERATED THE SIZE OF THE DEAL AND PRC INTEREST IN IT. NEVERTHELESS, NORWAY (AKER GROUP) IS ONE OF THE TOP FIVE RIG BUILDING CENTERS IN THE WORLD, AND PRC DISCUSSIONS WITH BUILDERS THERE WOULD NOT BE SURPRISING IN LIGHT OF REPORTS OF SIMILAR PRC INQUIRIES IN SINGAPORE AND JAPAN. COMING AFTER THE PRC'S RECENT PURCHASE OF TWO JACK-UP RIGS IN SINGAPORE, THE ACCOUNT, IF ACCURATE EVEN IN PART, WOULD CLEARLY REFLECT A NEW AND STRONGER COMMITMENT TO UPGRADE ITS CAPABILITY FOR OFFSHORE OIL EXPLORATION.

3. IN VIEW OF SUBSTANTIAL US COMMERCIAL INTEREST IN SALE OF OIL EQUIPMENT TO PRC, ANY INFORMATION ADDRESSES MAY BE ABLE TO OBTAIN ON THIS PURPORTED DEAL WOULD BE USEFUL.
CROSS

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Message Attributes

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